

but will bear a Social Security tax burden of roughly \$2,140. Now, this family is then eligible to receive some \$2,400 from the earned income tax credit, nearly \$260 more than its entire tax burden.

A family earning \$28,000 a year—and not eligible for the earned income tax credit—would have 57 percent of its income tax bill and 17 percent of its total Federal tax bill erased by the \$500 per child tax credit.

This is an important part of tax relief to these families that do not qualify but still make under \$35,000 a year.

Family tax relief, I believe, should not be means tested. Every working family in this country is overtaxed, thus every working family, regardless of income, should be eligible for a \$500 per child tax credit. The Tax Code should not penalize children simply because of their parents' income.

Now, along with family tax relief, the Minnesotans with whom I met during the past recess are demanding a balanced Federal budget with or without a balanced budget amendment. And if that means putting the Federal Government on a strict low-fat diet, then so be it.

One thing I heard over and over again during my town meetings, from Minnesotans who pay their own bills and balance their own budget, is that if they can do it, then the Federal Government can do it as well.

One thing is very clear: The budget can be balanced, and we can do it without gutting the vital programs on which millions of Americans depend. We will do it by containing the growth of Government while continuing to meet the needs of America's families, children, and senior citizens.

By streamlining Federal bureaucracy and sending the money back to the State governments in the form of block grants, Minnesotans know that they will have more power, not less power, more resources, not fewer, and new and better opportunities.

I have every confidence that the people of Minnesota can direct those resources and provide for those in need better than Washington bureaucrats could ever hope to do.

That is my motivation as we move forward during these next 100 days, and it is my hope that every Senator remembers the messages that they have heard over the recess and join in the effort to enact what we call the people's agenda.

We need to restrict or restrain the growth of spending in the Federal Government, but we also need tax relief for Minnesota families and for the Nation's families. We cannot have one without the other. I hope very strongly that as we move forward in these next 100 days we will be able to provide some of this long sought tax relief for middle-class American families.

I thank the Chair. I would now like to turn the floor over to my colleague, the Senator from Missouri [Mr. ASHCROFT].

Mr. ASHCROFT addressed the Chair. The PRESIDING OFFICER (Mr. FAIRCLOTH). The Senator from Missouri.

The first half hour of time which was reserved has expired, so the Senator has up to 5 minutes.

Mr. ASHCROFT. Mr. President, I would ask unanimous consent that I can speak as if in morning business for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DAY OF PRAYER

Mr. ASHCROFT. Mr. President, I would like to take this opportunity to extend my appreciation to citizens all across America who are recognizing the observation of the National Day of Prayer. It is a time during which the people of America pray for this country and pray for those of us who have the responsibility to lead, not just at the national level, but at the local level as well. So in city halls across America, in State capitals, and here in the Nation's Capital, individuals are seeking to invoke the presence of God upon the deliberations of the Government, and upon the Nation as a whole.

I am especially grateful for this fitting activity and for the fact that as a nation we occasionally stop to remember the Almighty. In particular, I am pleased to express appreciation on behalf of myself and many others to Shirley Dobson who is leading the National Day of Prayer this year.

As our Nation heals from the wounds inflicted upon us by the Oklahoma City tragedy, and as we continue to confront daily the tragedies of death and violence that seem to plague our land, it is fitting we would call upon God to give thanks for the blessings we have enjoyed.

The Old Testament book of Chronicles provides a worthwhile guide to our times. It says: "If my people, which are called by my name, shall humble themselves and pray and seek my face and turn from their wicked ways, then will I hear from Heaven and will forgive their sin and will heal their land." Mr. President, I do not think there is a more noble aspiration than the desire of America to be a land of healing.

Our Nation has embodied this attitude of humility and reverence before God from the very earliest days of its existence. During the Constitutional Convention, Benjamin Franklin rose to say: "If a sparrow cannot fall to the ground without his notice, is it probable that an empire can rise without his aid?"

There is little question but that we owe a debt of gratitude to Almighty God for the blessings he has continued to bestow upon us. As George Washington prayed: "Almighty God; we make our earnest prayer that Thou wilt * * * most graciously be pleased to dispose us all to do justice, to love mercy, and to demean ourselves with * * * charity, humility and a pacific temper of mind."

I believe those are the kinds of sentiments we all ought to be expressing today. I pray God's blessing upon this land, and I thank those who are assembling across the country to remember our need for guidance.

A BALANCED BUDGET

Mr. ASHCROFT. Mr. President, I want to address the issue of a balanced budget, but I want to start by talking about the shifting balance of Federal-State power. Last week, in *United States versus Lopez*, the Supreme Court held that a 1990 Federal statute did not "substantially affect" interstate commerce. While the decision did not overturn any precedents, it marked a sharp departure from the modern Court's expansive view of congressional power to regulate commerce. By limiting Congress' ability to use the commerce clause to legislate social policy, the Court highlighted the benefits of the Federal system envisioned by the Framers, and outlined in the Constitution. Moreover, they acknowledged what the American people have recognized for quite some time: That a Congress with the power to do everything for you, also has the power to take everything from you.

In the Senate, we have just begun to discuss spending priorities for the coming fiscal year. When the budget resolution comes before this Chamber, our actions will help shape the ongoing debate over State power within the Federal system.

The question we must ask is not what power the Federal Government ought to have, but what powers have been extended by the people. We must be ever mindful of the fact that the powers conferred upon the Federal Government by the Constitution have proscribed limits. Clearly, a National Government that has a debt of \$4.9 trillion—that is over \$18,000 for every man, woman, and child—has forgotten this fact.

Mr. President, if efforts are not made to limit spending, the Federal Government will no longer be able to fulfill its most basic constitutional obligations. In just 17 years, spending on entitlement and the national debt will consume all tax revenues; Medicare will be bankrupt in just 6 years; and in FY 1997, we will pay more in interest payments on the national debt than we will spend on national defense.

Last November, the American people spoke with a clarity and an intensity seldom heard in American government. What was their message? Return to us the ability to control our own lives, our own future, our own destinies. This was not some radical, foreign concept, it was the message of the founding—the message embodied in the capstone of the Bill of Rights, the 10th amendment, which reads: "The powers not delegated to the United States by the Constitution, nor prohibited by it to

the States, are reserved to the States respectively, or to the people." I would posit, Mr. President, that this fundamental idea should animate all that we do here in the coming weeks.

The task of defining the constitutional line between Federal and State power has given rise to many of the Court's most challenging and celebrated cases. In *United States versus Lopez*, the Court reaffirmed the belief that the powers of the Federal Government have proscribed limits. Now, it is the opportunity of this Congress to recreate the dual sovereignty that the Framers envisioned. For "in the tension between Federal and State power lies the promise of liberty."

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I ask my colleague from California if she has come to the floor to speak on budget and Medicare. She was here first. I will be pleased to follow her.

Mrs. BOXER. Mr. President, I thank my friend, but I will be delighted to follow my friend. So if he would like his time now, that is just fine.

Mr. WELLSTONE. I thank the Senator.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that I yield myself such time as I might need from the majority leader's time.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEDICARE

Mr. WELLSTONE. I thank the Chair.

Mr. President, we are, in a very short period of time, going to have a historic debate about the budget and about priorities in our Nation, the United States of America. Part of that debate—and I know my colleague from California will be speaking to this as well—will focus on Medicare.

As I have followed over the last couple of days some of the press conferences and some of the discussions taking place about Medicare, I think it is really important to come to the floor and speak about Medicare, not so much in political terms but in substantive terms.

We are faced with a real irony. It may very well be that a good many of my colleagues will now discover that health care reform—not just a focus on Medicare or Medicaid but real health care reform—is a pressing, compelling issue in this country.

First of all, Medicare is a benefit program. It is not just an actuarial pro-

gram. It is important for me to make this point, Mr. President. My mother and father are no longer alive. Both actually had Parkinson's disease, but I can tell you, for my parents in their older age, Medicare, imperfections and all, was extremely important and it continues to be extremely important to senior citizens in this country.

It is not by any means perfect. It does not cover catastrophic expenses, it does not cover prescription drug costs, and elderly people over 65 years of age pay four times as much out of pocket as citizens under 65 years of age. But I think this focus on the budget is going to get us to the point where all of us understand some realities about health care and health care policy in the United States.

Eighty-five percent of Medicare expenditures pay for care for seniors with household incomes of less than \$25,000 a year. So let us also understand that these benefits help hard-pressed people, not people who have plenty of income on their own.

Second point, Mr. President. I was on the floor the other day in a debate with one of my colleagues—I think it was the Senator from Texas, Senator GRAMM—and he was talking about his efforts to block health care reform in the last Congress and he was proud of that. In another point in time, we will have a debate, and I do not have a practice of debating colleagues when they are not on the floor, but I will say, as a matter of fact, one of the reasons that we are now dealing with the whole question of Medicare and how to finance Medicare is because we did not pass any comprehensive health care reform last Congress.

Mr. President, 89 percent of the growth in Medicare spending since 1980 has been due to medical inflation, general inflation, and changes in enrollment. Let me go over those.

Medicare is a benefit program that, of course, we have to finance. It is part of what we are about as a country. It is, indeed, a contract with senior citizens, and as we move into the next century, a larger percentage of our population are older Americans, and a larger percentage of those older Americans are older. That means that the cost of the program goes up.

Then there is the issue of general inflation. There is not much we can do about the first issue that I mentioned. And there is not that much we can do about general inflation, but we can look at medical inflation.

The interesting thing is that the Congressional Budget Office made it clear last Congress—I did not say Democrat, Republican, but CBO—that there are two ways you can contain medical costs. One is through global spending caps, as in the single payer proposal, or, if you do not prefer that, by placing some limits on insurance premiums. Some limit on insurance premiums is a very effective way of containing costs.

But, Mr. President, if you just focus on one segment of the population and

you cut \$250 to \$350 billion between now and the year 2002, you will have a severe impact on that population. Let me say to my colleagues, when you were talking about rationing last Congress when we were talking about comprehensive health care reform, when you were yelling and screaming about rationing last Congress, I did not think that you had a case to make. But if you are just going to target Medicare, if you are going to cut expenditures for just one segment of the population, then you will ration by age, you will ration by disability, and if you throw Medicaid into the equation, you will ration by income. But now I do not hear my colleagues talking about rationing at all.

Second of all, if you make these cuts in Medicare, you are going to throw this whole health care system into—and I do not want to exaggerate—I would say a fair amount of chaos, if not utter chaos.

I ask unanimous consent to have printed in the RECORD a statement from the National Leadership Coalition for Health Care Reform, which includes many businesses in this case.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE NATIONAL LEADERSHIP
COALITION FOR HEALTH CARE REFORM,
Washington, DC, April 3, 1995.
Senator PAUL DAVID WELLSTONE,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR WELLSTONE: We are writing to express our serious concerns about the proposed cuts in the Medicare and Medicaid programs. Our Coalition is the nation's largest nonpartisan alliance of business, labor, consumers, and providers dedicated to improving the health care system—in order to enhance the availability, affordability, and quality of care. (Our membership list is attached.)

We have long been on record as strong supporters of cost containment for both public and private payers. Until we contain costs, our citizens cannot be secure in coverage for themselves and their families. However, we believe that further drastic cuts in Medicare and Medicaid, coming on top of deep cuts legislated in 1993, would pose program difficulties and force the provider community to increase the shifting of costs to the private sector. Such cost-shifting would result in even more limited access, especially for low and middle-income Americans, and an increase in the number of uninsured.

We are troubled by approaches that focus primarily on cutting the price of services. One of our central concerns—as patients, payers, and providers—is that the quality of care be enhanced by changes in the health care system. If draconian cuts are made in prices, quality could further suffer. We urge a balanced approach, one that would control total system cost while improving quality, stopping cost-shifting, and expanding universal coverage.

We believe that if our nation were to concentrate on better outcomes and quality initiatives in addition to measures targeted on costs, there would be significant gains both in the appropriateness and efficiency of services, and in the reduction of costs. Strong quality assurance mechanisms are also essential as we shift more to better systems of managed care.